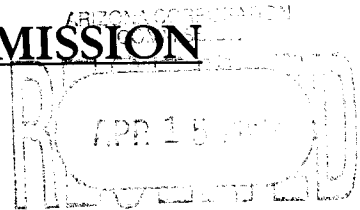


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-02494A
ASHCREEK WATER COMPANY
P. O. BOX 182
CENTRAL AZ 85531-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-18-02 *com*

SCANNED

26 SEP 2002

COMPANY INFORMATION

Company Name (Business Name) <u>Ash Creek Water Co.</u>		
Mailing Address <u>Box 182</u>		
<u>Central</u> (City)	<u>AZ</u> (State)	<u>85531</u> (Zip)
<u>928-428-5940</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>Box 182</u>		
<u>Central</u> (City)	<u>AZ</u> (State)	<u>85531</u> (Zip)
<u>928-428-5940</u> Local Office Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Vera P. McLeod</u>		<u>Managing Partner</u>
(Name)		(Title)
<u>Box 185</u> (Street)	<u>Central</u> (City)	<u>AZ</u> (State)
<u>85531</u> (Zip)		
<u>928-428-1078</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
On Site Manager: <u>Mr. Robinc. Smith</u>		
(Name)		
<u>956 Straton Dr</u> (Street)	<u>Safford</u> (City)	<u>AZ</u> (State)
<u>85546</u> (Zip)		
<u>928-428-5940</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

Statutory Agent: Vera Pearl McLeod
 (Name)
1105 West Relation St Safford Az 85546
 (Street) (City) (State) (Zip)
928-428-1078 _____
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: David C. Kennedy
 (Name)
818 E. Osborn Road Suite 103 Phoenix, Az 85014
 (Street) (City) (State) (Zip)
602-287-0340 287-8767 _____
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input checked="" type="checkbox"/> Partnership (P) <u>LLC</u> | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	650	—	650
302	Franchises	—	—	—
303	Land and Land Rights	1000	—	1000
304	Structures and Improvements	2143	288	155
307	Wells and Springs	6520	—	6520
311	Pumping Equipment	6070	—	—
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	1443	717	726
331	Transmission and Distribution Mains	64,017	40188	23829
333	Services	—	—	—
334	Meters and Meter Installations	14,200	7376	6824
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	2000	1050	950
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	1700	755	945
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	98,043		

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	650	0	0
302	Franchises	—	—	—
303	Land and Land Rights	1000	0	0
304	Structures and Improvements	443	5	22
307	Wells and Springs	6520	0	0
311	Pumping Equipment	6070	5	303
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	1443	5	72
331	Transmission and Distribution Mains	64017	5	3200
333	Services	—	—	—
334	Meters and Meter Installations	14439	5	722
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	2000	5	100
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	1700	5	85
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	98282	5	4504

This amount goes on Comparative Statement of Income and Expense Acct. NO. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 9659.74	\$ 3570.64
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3310.02	832.30
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2673.28	1468.44
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15643.04	\$ 5871.38
	FIXED ASSETS		
101	Utility Plant in Service	\$ 98,043	\$ 98282
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	49,238	41599
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 48805	\$ 56683
	TOTAL ASSETS	\$ 64448	\$ 57270

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 9000	\$ 4389
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1500	300
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 10500	\$ 4689
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 5758	\$ 7475
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	825	825
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	6160	0
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 6985	\$ 825
	TOTAL LIABILITIES	\$ 24470	\$ 14989
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 30,228	\$ 37,411

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 27,718	\$ 39,739
460	Unmetered Water Revenue		
474	Other Water Revenues	495	
	TOTAL REVENUES	\$ 28,213	\$ 39,739
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$ 6543
610	Purchased Water		
615	Purchased Power	1891	1312
618	Chemicals		
620	Repairs and Maintenance	1568	4674
621	Office Supplies and Expense	1514	1466
630	Outside Services	6538	4374
635	Water Testing		2995
641	Rents	3780	5251
650	Transportation Expenses		257
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		3000
675	Miscellaneous Expense	300	
403	Depreciation Expense	4492	4504
408	Taxes Other Than Income		260
408.11	Property Taxes		2038
409	Income Tax Partnership	0	0
	TOTAL OPERATING EXPENSES	\$ 18,723	\$ 36,674
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ Income 44	\$ 54 Income
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	82	215 expense
	TOTAL OTHER INCOME/EXP	\$	\$ 161 ex
	NET INCOME/(LOSS)	\$ 8174	\$ 2904

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	3/1989			
Source of Loan	Back wages			
ACC Decision No.				
Reason for Loan	Back wages			
Dollar Amount Issued	\$ 9475	\$	\$	\$
Amount Outstanding	\$ 9475	\$	\$	\$
Date of Maturity	N/A			
Interest Rate				
Current Year Interest	\$ 0	\$	\$	\$
Current Year Principle	\$ 9475	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 6124

Meter Deposits Refunded During the Test Year

\$ 348

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
621788	1	27	8	2
621786	1.5	35	6	2

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
_____	Nil	_____
_____	Nil	_____

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
None	_____	_____	_____

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
None	_____	2000	One

STATISTICAL INFORMATION

Total number of customers 74

Total number of gallons sold 26,944,000 gallons

COMPANY NAME _____

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax LiabilityPartnership/
not filedState Taxable Income Reported
Estimated or Actual State Tax LiabilityPartnership

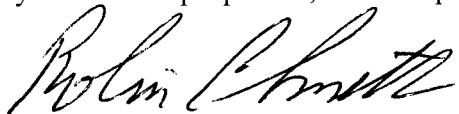
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/AdvancesNone

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-30-02

DATE

Robin C. Smith

PRINTED NAME

Managing Partner

TITLE

COMPANY NAME _____ YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 2038.77

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Graham Co. AZ</u>	Director of Utilities
NAME (OWNER OR OFFICIAL) TITLE <u>Robin L. Smith - Manager</u>	
COMPANY NAME <u>Ash Creek Water Co. LLC</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 39739

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2489.17 1629.88
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-428-5940
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

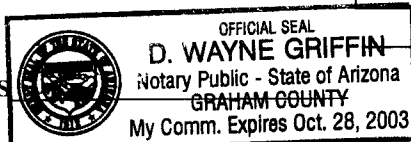
11th

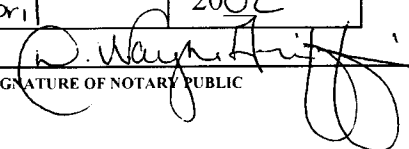
DAY OF

COUNTY NAME <u>Graham</u>	Director of Utilities
MONTH <u>April</u>	YEAR <u>2002</u>

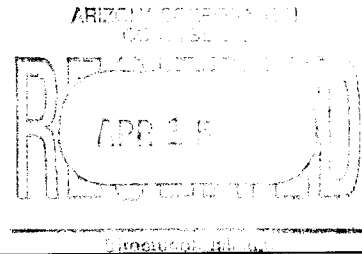
(SEAL)

MY COMMISSION EXPIRES




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Graham</u>	
NAME (OWNER OR OFFICIAL) <u>Robin C. Smith</u>	TITLE <u>Manager</u>
COMPANY NAME <u>Ash Creek Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>39739</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ ~~2489.17~~ 1629.88
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

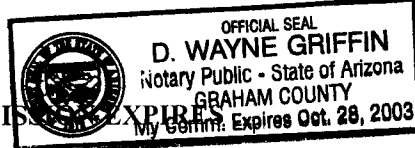
THIS

11th

DAY OF April,
2002.

(SEAL)

MY COMMISSION



NOTARY PUBLIC NAME <u>D. Wayne Griffin</u>	
COUNTY NAME <u>Graham</u>	
MONTH <u>Oct.</u>	DAY <u>28</u>
YEAR <u>2003</u>	

X
SIGNATURE OF NOTARY PUBLIC

Hard Copy

Graham County Treasurer

Owner

Thursday, September 26, 2002

Jean Reynolds

921 Thatcher Blvd.

Safford, AZ 85546

Phone:928-428-3440, Fax:928-428-3991

jreynolds@graham.az.gov

Ash Creek Water Co Llc

TOTAL VALUE OF OPERATING PROPERTY 112-12-033-B

100

Central Az AZ 85531

Parcel ID: 934-40-680

Figures below based on 09/26/2002

Year	Roll #	Status	Taxes	CP Amount	Fee(s)	Interest	Payments	Balance Due
2002	14252	Tax	\$1,192.32	\$0.00	\$0.00	\$0.00	\$0.00	\$1,192.32
Payments:								
2001	14095	Tax	\$1,394.78	\$0.00	\$0.00	\$27.90	\$1,422.68	\$0.00
Payments:								
11/1/2001	Ashcreek Water Co		\$697.39				\$697.39	
7/31/2002	Ashcreek Water Co		\$697.39			\$27.90	\$725.29	
2000	13793	Tax	\$1,197.66	\$0.00	\$0.00	\$143.72	\$1,341.38	\$0.00
Payments:								
11/1/2001	Ashcreek Water Co		\$1,197.66			\$143.72	\$1,341.38	
1999	13581	Tax	\$1,058.98	\$0.00	\$0.00	\$0.00	\$1,058.98	\$0.00
Payments:								
10/29/1999	Ashcreek Water Co		\$529.49				\$529.49	
12/17/1999	Ashcreek Water Co		\$529.49				\$529.49	
			\$4,843.74	\$0.00	\$0.00	\$171.62	\$3,823.04	\$1,192.32

Attn: Carmen
Madrid